

3-1-2011

Business Outlook, Vol. 27, No.1, March 2011

Follow this and additional works at: https://research.upjohn.org/bus_outlook

Citation

W.E. Upjohn Institute. 2011. Business Outlook for West Michigan 27(1).
https://research.upjohn.org/bus_outlook/vol27/iss1/1

This title is brought to you by the Upjohn Institute. For more information, please contact repository@upjohn.org.

BUSINESS OUTLOOK

for West Michigan



W.E. Upjohn Institute for Employment Research
Vol. XXVII, No.1 March 2011

W.E. UPJOHN INSTITUTE for Employment Research

Board of Trustees of the W.E. Upjohn Unemployment Trustee Corporation

Donald R. Parfet, *Chairman*

Marilyn J. Schlack, *Vice Chairman*

Thomas W. Lambert, *Secretary-Treasurer*

John M. Dunn

William C. Richardson

Frank J. Sardone

Amanda Van Dusen

B. Joseph White

Eileen Wilson-Oyelaran

Preston S. Parish, *Trustee Emeritus*

Randall W. Eberts, President
W.E. Upjohn Institute for Employment Research

BUSINESS OUTLOOK for West Michigan is published four times a year by the W.E. Upjohn Institute for Employment Research. The Institute, a nonprofit research organization, is an activity of the W.E. Upjohn Unemployment Trustee Corporation, which was formed in 1932 for the purpose of conducting research into the causes and effects of unemployment and measures for the alleviation of unemployment.

ISSN 0748-4216

BUSINESS OUTLOOK for West Michigan

George A. Erickcek
Senior Regional Analyst

Benjamin C. Jones
Editor

Brad R. Watts
Regional Analyst

Lisa M. Phillips
Production Coordinator

Vol. XXVII, No. 1
March 2011

W.E. UPJOHN INSTITUTE for Employment Research

We gratefully acknowledge the following organizations as
sponsors of *Business Outlook*:



EMPLOYERS ASSOCIATION OF WEST MICHIGAN



Muskegon Area First

Contents

West Michigan Viewpoint	1
National Economy	2
Regional Economy	4
State of Michigan Economy	6
West Michigan Economy	8
Battle Creek MSA	10
Grand Rapids–Wyoming MSA	12
Holland–Grand Haven MSA	14
Kalamazoo–Portage MSA	16
Muskegon–Norton Shores MSA	18
Niles–Benton Harbor MSA	20
Purchasing Managers Index and Major Economic Developments	22

New to Business Outlook

Welcome to the first issue of the newly redesigned Business Outlook! We have added several features to this quarter's publication, including the following:

- New industry-specific sections on the auto and furniture industries.
- Five-year trend analysis for major industry employment in each of the six MSAs.
- Employment and unemployment rate trends for the last five years.

In addition, this month marks the launch of the new Upjohn Institute Blog. Visit <http://www.upjohn.org/blog> to read posts from members of the Business Outlook staff and other economists at the W.E. Upjohn Institute for Employment Research.

WEST MICHIGAN VIEWPOINT

2011 and 2012 Employment Forecast for West Michigan: We Turn the Corner

Last year was not kind to west Michigan: the region's employers eliminated a net of 10,400 jobs. The region's goods-producing sector—manufacturing and construction—lost 8,400 jobs, and the region's government units, including public education, eliminated 2,200 jobs. Employment in the region's private service-producing sector was flat for the year, picking up only 200 jobs.

Fortunately, current national and state economic indicators point to a more positive employment picture for 2011. The national economy is expected to grow by around 3.2 percent during the year. While further stimulus spending by the federal government cannot be expected given the current focus on deficit reduction, the Federal Reserve is expected to cautiously continue its easy money policy to encourage lending activity. In the state, auto production is forecast to increase by more than 25 percent during the year, and the office furniture industry is predicting better sales for 2011 as well. In short, except for the troubled housing sector, all national and state indicators seem to be pointing in a positive direction.

A Review of Last Year's Forecast

Before turning to our forecasts for the current and the next year, we always review our previous forecasting performance. Last year, we forecast that west Michigan employment would decline by 1.5 percent in 2010. We were slightly too pessimistic, as the actual decline is now estimated at 1.3 percent. While our overall west Michigan forecast proved to be fairly accurate, we were off the mark in several of the region's metropolitan areas. In particular, we were too optimistic regarding the Holland–Grand Haven MSA and too pessimistic about the Niles–Benton Harbor MSA.

Table 1 Last Year's Forecast vs Actual Performance (% change)			
	Forecast 2010	Actual 2010	Error
Battle Creek MSA	-1.0	-1.0	0.0
Grand Rapids–Wyoming MSA	-1.4	-0.6	-0.8
Holland–Grand Haven MSA	-1.2	-2.9	1.7
Kalamazoo–Portage MSA	-1.2	-2.0	0.8
Muskegon–Norton Shores MSA	-2.5	-2.0	-0.5
Niles–Benton Harbor MSA	-2.8	-1.5	-1.3
West Michigan	-1.5	-1.3	-0.2

2011 and 2012 Forecast

As shown in the table in the right-hand column, we are forecasting that total employment in the six metropolitan areas of west Michigan will increase by 0.8 percent, or 6,500 workers, in 2011. While we expect employment in construction to remain flat for the year, employment gains in manufacturing will push employment in the region's goods-producing sector up by 0.5 percent. Private service providers are forecast to increase their employment levels by 1.2 percent in 2011. On the downside, the state's government budget crisis is expected to spill over to the local areas in the form of employment cuts. While the Holland–Grand Haven

MSA is expected to enjoy the strongest recovery, employment should be positive in all six of the region's metro areas.

Table 2 Employment Forecast for 2011 and 2012 (% change)			
	Actual 2010	Forecast 2011	Forecast 2012
Battle Creek MSA			
Total	-1.0	0.5	1.4
Goods-producing	-5.7	0.3	2.5
Services-providing	-1.1	1.0	1.7
Government	6.0	-1.1	-1.3
Grand Rapids–Wyoming MSA			
Total	-0.6	0.8	1.1
Goods-producing	-3.4	-0.2	0.3
Services-providing	0.2	1.1	1.4
Government	-0.5	0.4	0.4
Holland–Grand Haven MSA			
Total	-2.9	1.5	2.5
Goods-producing	-5.6	1.7	3.1
Services-providing	2.1	2.1	3.0
Government	-15.4	-2.3	-2.0
Kalamazoo–Portage MSA			
Total	-2.0	0.8	1.5
Goods-producing	-8.0	1.0	1.8
Services-providing	-0.3	1.1	1.9
Government	-2.1	-0.6	-0.1
Muskegon–Norton Shores MSA			
Total	-2.0	0.9	1.6
Goods-producing	-6.3	1.3	3.2
Services-providing	-1.6	1.1	1.8
Government	2.0	-1.6	-1.8
Niles–Benton Harbor MSA			
Total	-1.5	0.4	1.1
Goods-producing	-6.3	0.2	1.3
Services-providing	-0.2	0.8	1.6
Government	-0.1	-1.6	-2.0
West Michigan			
Total	-1.3	0.8	1.4
Goods-producing	-5.1	0.5	1.5
Services-providing	0.1	1.2	1.7
Government	-2.2	-0.7	0.6

Forecast Risks

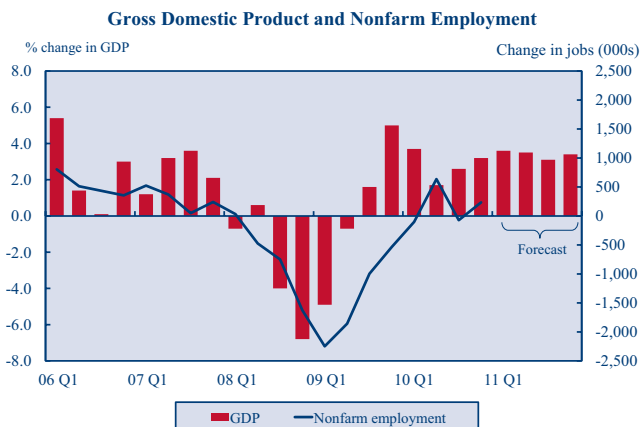
The nation's housing industry is still in a deep recession: construction is at a standstill, housing values continue to fall, and foreclosures are expected to remain high. While there is growing evidence that the national financial markets are improving, credit remains tight and loan demand lackluster. If either of these key industries deteriorates further, clearly the economy will slow.

Finally, a key element of the forecast is that manufacturing maintains its momentum in 2011. Nationwide, manufacturing has led the economy in the recovery. Locally, almost all of our manufacturing contacts are reporting solid orders and growing backlogs and are optimistic about the coming year. Let's hope they are right.

Output Rises, Employment Remains Flat

Output Is Up, but Employers Never Got the Memo

The nation's Gross Domestic Product (GDP) grew at a moderate 2.8 percent annual rate during the final quarter of 2010; however, the quarter's performance was stronger than this overall statistic suggests. Real final sales of domestic product, defined as GDP minus the change in inventories, increased at a robust 7.0 percent annualized rate in the fourth quarter. In other words, firms sold more than they produced in the quarter.



In addition, the quarter's growth was broadly based, as strong gains were reported in consumer spending, business investment, and exports. Moreover, imports fell during the quarter. The only drags on the economy came from government (where spending was off by a 1.5 percent annualized rate for the quarter) and from the previously mentioned significant reduction in inventories.

Nevertheless, the nation's employment situation remains lackluster. During the fourth quarter, total employment grew by only 234,000 jobs, or by 0.2 percent. One-third of the jobs created were in temporary services and another third were in health services. In January, only 36,000 jobs were created nationwide.

The Unemployment Situation Is Not Improving

While the fourth-quarter unemployment rate of 9.6 percent is down from 10.0 percent a year ago, both the nation's employment-to-population ratio, 58.3, and its civilian labor force participation rate, 64.5 percent, are the lowest since 1983. As of January 2011, there were 6.6 million persons who wanted to work but had not actively looked for work in the past four weeks.

Moreover, the percentage of the civilian workforce unemployed 15 weeks or longer, a measure of the long-term unemployed, stands at 5.7 percent, which means that more than half of the unemployed have been out of work for 15 weeks or longer. Worse yet, as of the second quarter of 2010, more than 30 percent of the unemployed—4.5 million individuals—have been without work for more than a year. Being out of work for so long can affect a person's

self-esteem and job skills and create a stigma in the eyes of potential employers. In short, the current high number of persons suffering from being long-term unemployed may hinder the nation's unemployment rate from declining faster, because they have a more difficult time finding work than the shorter-term unemployed.

Yet Consumers Are Feeling Good

Despite sluggish employment conditions, consumer spending has picked up and consumer confidence is on the rise. During the fourth quarter, consumer spending rose at a 4.1 percent annualized rate, powered by a robust 21.0 percent jump in the purchase of durable goods. It was the strongest quarter for consumer spending in the past four years. The nation's retailers had their best holiday season in six years, according to the National Retail Federation, as sales increased by 5.7 percent over last year.

According to the Conference Board, consumer confidence jumped in January to its highest level since last May. Despite poor job numbers for the month, households are more positive about the current employment conditions and the overall economy. The board's Consumer Confidence Index climbed to 60.0 in January, from 53.3 in December. Still, the index reading is well below 90, which historically has indicated a healthy economy.

Manufacturing Continues to Lead the Way

Manufacturers added 49,000 jobs in January and 152,000 jobs over the past 12 months. The Institute for Supply Management (ISM) reported that its manufacturing index jumped from 58.5 in December to 60.8 in January—the index's highest mark since May 2004. The current reading is well above the 50 mark, which indicates a growing manufacturing sector. In fact, the index has stayed above that mark for 18 straight months. On a cautious note, the ISM also found that its index of raw material costs jumped from 72.5 in December to 81.5 in January, strongly indicating that inflationary pressures may be building in the industry suppliers' pipeline.

Housing Remains Flat

Housing prices continue to slide, according to the latest S&P/Case-Shiller Home Price Index. The index, which is based on home prices in the nation's 20 largest metro markets, fell 4.1 percent during the final quarter compared to a year ago. According to the index, overall housing prices are at mid-2003 levels. Unfortunately, the worst housing market in the United States in November belonged to Detroit.

Falling prices have helped generate greater sales of existing homes, as sales reached an annual rate of 4.8 million units during the fourth quarter, according to the National Association of Realtors—an increase of 15.4 percent over a year earlier. Affordability is clearly a factor, as average housing prices have dropped 26 percent from what they were in June 2006, according to Zillow.com. Nationwide,

according to Moody's Analytics, the ratio of home prices to annual household income has fallen to 1.6, which is well below the ratio of 1.9 that existed in 2003 when the housing bubble started. And many economists are predicting that housing prices will drop another 5 to 10 percent later in the year. The sales of new houses dropped by 18.6 percent in January from a year ago.

The number of home foreclosures rose 1.0 percent from December to January, according to RealtyTrac. For the year, the number of foreclosures is down 17 percent from one year ago; however, experts fear that this is due to a slowdown in the processing of foreclosures and is not a sign of an improved housing market. Moreover, according to Zillow.com, the number of homeowners who are "underwater"—who owe more on their mortgage than the value of their home—stood at 27 percent in December.

Residential construction activity rose by 2.8 percent during the fourth quarter. However, the number of building permits for all housing units declined by 6.8 percent from the year before, and housing starts in December were down 8.2 percent from a year ago.

Except for Gasoline, Prices Remain Stable

The Consumer Price Index (CPI) rose by 1.5 percent in December from the same period the previous year; however, most of the increase was due to gasoline prices and some food items. When both energy and food prices are removed from the index, the resulting "core" index shows a rise of only 0.8 percent during the 12-month period ending in December.

While the country's core price index remained quiet last year, prices in China rose by 5.1 percent in the 12 months ending in November, and prices in the Euro zone increased by 2.2 percent in 2010. Moreover, the recent political unrest in the Middle East has caused oil prices to increase and has generated uncertainty about future oil prices.

Are Rising Interest Rates a Good Thing?

World commodity prices seem to be on the rise, making the nation's inflation hawks uneasy that current Federal Reserve policy could further fuel inflationary pressures. In November the Fed began its \$600 billion bond-buying program, which it refers to as quantitative easing. The clear purpose of the policy is to push more money into the financial system to encourage increased loan activity.

Inflation hawks are also pointing to rising interest rates as a sign of growing inflationary expectations. Currently, middle- and long-term interest rates have inched upward, but the meaning of the increase is unclear. The Fed has said that these interest rate increases were expected and that they point to increased optimism about the health of the national economy. The rate on 10-year Treasury bonds rose from 2.7 percent in August to 3.4 percent in January, and the rate on 20-year bonds climbed from 3.8 percent in August to 4.5 percent in January. During the first week of February, the 30-year fixed-

rate mortgage rate surpassed 5 percent for the first time since May 2010.

Banks Continue to Ease Their Credit Standards

The Federal Reserve's January survey of senior bank loan officers found that they are easing their standards and terms for commercial and industrial (C&I) loans because of an improving economic environment and competition from other banks. The Fed also reported a mild increase in the demand for C&I loans.

Nonresidential investment climbed by 4.8 percent in the fourth quarter, a rate that was down from the previous three quarters. Spending on equipment and software rose at a 5.5 percent annual rate in the quarter.



A Brighter Forecast Than Just Three Months Ago

In January, the 43 forecasters surveyed by the Federal Reserve Bank of Philadelphia revised upward their 2011 forecast for the economy. The consensus of the group is that the nation's economy will grow by 3.2 percent in 2011; this is up from November, when they posted a milder forecast of a 2.5 percent increase for the year. Overall, the forecasters are predicting that the nation's unemployment rate will fall to 9.1 percent in 2011 and to 8.5 percent in 2012, driven down by an average monthly job creation rate of 134,900 in 2011 and an even greater monthly job creation rate of 226,100 in 2012.

REGIONAL ECONOMY

Manufacturing Is Leading the Way

State of the Region

Research analysts at the Federal Reserve Bank of Chicago report in their January *Beige Book* that economic conditions continue to improve in the Great Lakes region. Most of the businesspersons interviewed were “cautiously optimistic” about 2011. Manufacturers reported solid new orders and increasing backlogs of existing orders. A couple of the manufacturers interviewed reported that current conditions are similar to prerecessionary conditions. One representative from the steel industry thinks that world steel production may have hit a record level in 2010. In the auto industry, the bank’s researchers found conditions continuing to improve amid evidence that there is pent-up demand for new cars and trucks. Only the appliance industry reported sluggish sales for the period.

Like Merchants across the Nation, the Region’s Retailers Had a Good Holiday Season

Not surprisingly, given the mentioned increase in sales, contacted businesses also reported an increase in capital spending. Both retailers and manufacturers reported plans to buy equipment and structures in 2011.

Unfortunately, the research analysts found that hiring is still limited, as employers continue to use temporary employees instead of hiring permanently.

Real estate construction remains flat. The existing large inventory of unsold homes is hindering new construction plans.

Moreover, the large number of foreclosed-upon properties in many areas is negatively affecting the availability of credit for new construction.

Still, interviewed bankers said that credit conditions are improving, although middle-market businesses are not seeking loans because they are already holding substantial amounts of cash. The interviewed banks reported that there was growing interest in mergers and acquisitions as well as small business loans.

Employment Situation Is Improving across the Great Lakes

Total employment in the five-state Great Lakes region increased by 0.5 percent in the 12-month period ending in December; the gain was powered by a robust 2.3 percent jump in manufacturing employment. Total employment growth in the rest of the country surpassed that of the region, increasing by 0.7 percent; however, the region’s manufacturers clearly outperformed their national counterparts, who only grew by 0.6 percent during the period.

Manufacturers hired new workers in all of the five states in the region. In Wisconsin manufacturing employment rose by 3.2 percent, in Indiana it increased by 2.9 percent, and in Michigan it was up by 2.3 percent. Unfortunately, Michigan was the only state in the region where the change in total employment remained negative, falling 0.4 percent for the period.

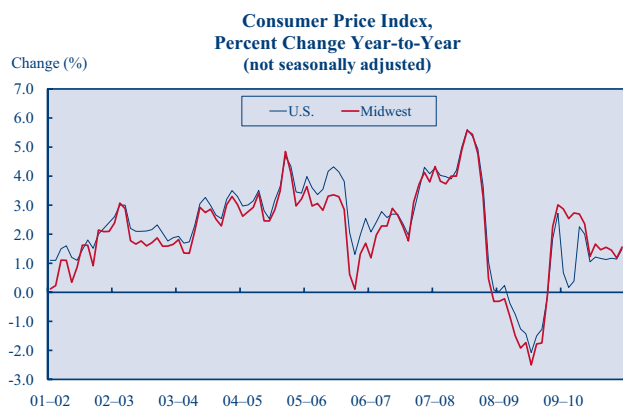
Great Lakes Employment and Earnings^a

Great Lakes region	December 2010	December 2009	Percent change	Great Lakes region	December 2010	December 2009	Percent change
Illinois				Ohio			
Total employment	5,646,000	5,599,900	0.8	Total employment	5,048,700	5,045,400	0.1
Mfg. employment	567,100	558,000	1.6	Mfg. employment	624,200	612,300	1.9
Avg. weekly hours	39.7	39.7	0.0	Avg. weekly hours	40.3	40.4	-0.2
Avg. hourly earnings	\$17.22	\$16.91	1.8	Avg. hourly earnings	\$18.86	\$18.70	0.9
Indiana				Wisconsin			
Total employment	2,806,600	2,781,500	0.9	Total employment	2,745,400	2,712,900	1.2
Mfg. employment	441,400	429,100	2.9	Mfg. employment	434,200	420,600	3.2
Avg. weekly hours	42.9	41.8	2.6	Avg. weekly hours	41.2	39.8	3.5
Avg. hourly earnings	\$18.65	\$18.61	0.2	Avg. hourly earnings	\$18.26	\$18.62	-1.9
Michigan				United States			
Total employment	3,855,900	3,871,100	-0.4	Total employment (000)	130,229	129,320	0.7
Mfg. employment	465,500	455,000	2.3	Mfg. employment (000)	11,568	11,456	1.0
Avg. weekly hours	44.1	44.0	0.2	Avg. weekly hours	41.2	40.6	1.5
Avg. hourly earnings	\$21.88	\$21.89	0.0	Avg. weekly hours	\$18.80	\$18.39	2.2

NOTE: December 2010 numbers are preliminary.

^aEmployment numbers are seasonally adjusted for both the nation and the states. Average weekly hours and earnings are seasonally adjusted for the nation only.

SOURCE: U.S. Bureau of Labor Statistics (BLS).



NOTE: The Midwestern states include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

State Budgetary Woes May Slow the Economic Growth

State and local governments in the five Great Lakes states cut their combined workforce by 32,300 workers in 2010, and more cuts are likely, as each state is facing a budgetary shortfall in fiscal year 2012. Illinois leads the pack. That state's budget hole is estimated to be \$15 billion deep, representing 45 percent of the state's 2011 general fund budget, according to the Center on Budget and Policy Priorities. Illinois has had to increase its income tax from its current rate of 3 percent to 5 percent and its corporate taxes from 4.8 percent to 7 percent. State officials hope that both rate increases are

temporary. Ohio is facing a \$3.0 billion shortfall, and both Michigan and Wisconsin are facing an estimated \$1.8 billion deficit, according to the center. Indiana's shortfall is only \$270 million.

While the revenue outlook has become more positive because of the improving economy, unemployment remains high, and so does the demand for social assistance programs such as Medicaid and Temporary Assistance for Needy Families. Worse yet, all states are facing the end of federal stimulus support that was a part of the American Recovery and Reinvestment Act (ARRA). ARRA made a significant contribution to the states' revenue stream, and its ending will cause major budgetary difficulties. Finally, unemployment insurance funds have been depleted in many states, and those states have been borrowing from the federal government. As it now stands, unless there is some action from Washington the states will be required to raise unemployment insurance taxes to pay back the loans with interest.

AUTO INDUSTRY UPDATE

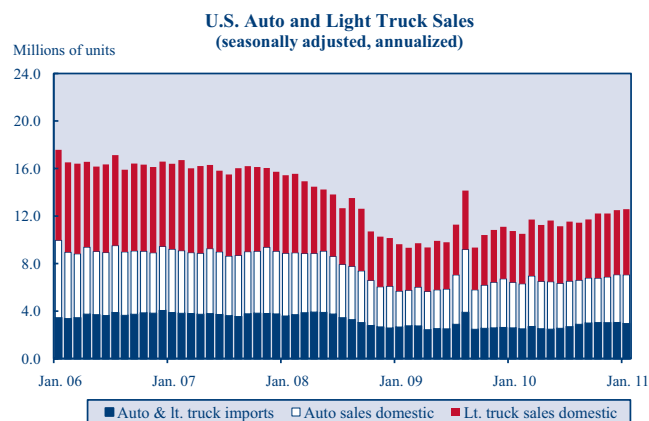
In January, car and light truck sales cruised along at a moderate 12.6-million-unit pace, the best sales rate since September 2008 and well above the average 11.5-million-unit pace for all of 2010.

According to Comerica Bank, auto affordability is improving despite rising interest rates. In the fourth quarter, it took 23.2 weeks of median family income to purchase a car, an improvement over 23.7 weeks in the third quarter.

The bump in sales has generated an accompanying increase in auto production in North America. The Detroit Three's North American production of cars and light trucks soared to a 48.2 percent increase in 2010 as its share of the continent's auto production climbed from 51.6 percent in 2009 to 55.2 percent in 2010, according to Ward's Auto Infobank.

Ward's Auto Infobank also reported that, as of January, the Detroit Three controlled 45.7 percent of the U.S. auto market—up from 44.9 percent a year ago, a nearly 2 percent increase. At the same time, Asian car companies' share of the U.S. market slipped from 45.8 percent to 45.3 percent.

Forecasters are calling for U.S. auto sales to register between 12.5 and 13 million units in 2011. More importantly for our area, Michigan's auto production is forecast to increase



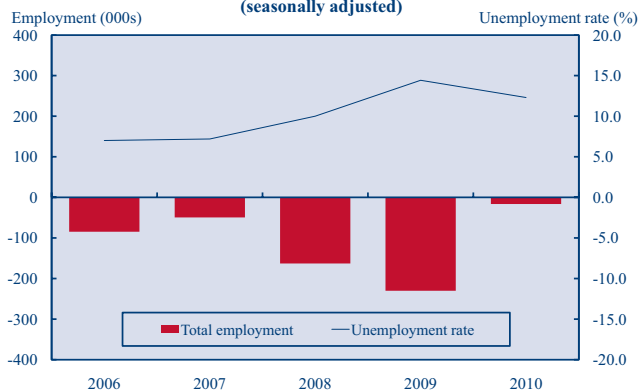
by 27.3 percent this year, from 1.6 million units to 2.1 million units—again according to Wards Auto Infobank. Michigan remains the number-two car-making area in North America, behind Ontario, Canada. It is worth noting that auto production is also expected to increase in Ontario and Ohio in 2011, putting Michigan's auto parts manufacturers in a good position to supply a growing share of the market.

STATE OF MICHIGAN ECONOMY

Turning a Very Long Corner

Total employment in Michigan fell by a modest 0.3 percent as employers eliminated 11,700 jobs. Still, the state's unemployment rate continued its descent, falling to 12.3 percent in the fourth quarter, which was down from 13.1 in the third quarter and from 14.4 percent for the fourth quarter of 2009. Statewide indicators were mixed during the quarter, suggesting that there will be little change in the state's employment situation in the coming months.

Michigan Employment Change and Unemployment Rate
(4th quarter to 4th quarter)
(seasonally adjusted)



Employment in the state's goods-producing sector fell by 0.9 percent. Employment in construction rose during the quarter; however, manufacturers reduced their payrolls by 1.4 percent in the quarter. The quarter's performance does not reflect the overall trend in manufacturing for the year: during the four-quarter period that ended in December, manufacturing employment increased by nearly 10,000 jobs, a healthy 2.2 percent. The increase is attributable to gains in the state's auto-dominated durable goods sector.

Employment in the private services-providing sector inched up 0.2 percent in the fourth quarter. On the plus side, employers in the state's education and health sector reported a strong 0.8 percent rise in employment, an increase of more 5,000 workers, and the state's professional and business service providers recorded a 0.9 percent gain, an increase of 4,700 workers. On the downside, the state's leisure and hospitality sector lost more than 5,000 jobs, a 1.3 percent drop, and smaller employment declines were reported in the state's information technology and transportation sectors.

Employment in the state's retail trade sector was flat, which is somewhat surprising given that, nationwide, retailers reported strong sales for the holidays. The flat employment also runs counter to a retail trends report by the Federal Reserve Bank of Chicago. The Chicago Fed, in cooperation with the Michigan Retailers Association, reports that retail activity and hiring were up in the quarter. Moreover, the state's personal income grew during the third quarter.

The number of new claims for unemployment insurance

fell by 5.2 percent during the fourth quarter, suggesting that employment conditions are improving. However, the number of new dwelling units put under contract for construction was down by 14.3 percent. The state's housing market, like that of most of the nation, is still very depressed. According to RealtyTrac, in Michigan there are currently 16,700 houses in the foreclosure process—one out of every 271 houses in the state.

Finally, Comerica Bank's Michigan Economic Activity Index shows that economic activity in the state has come to a standstill—temporarily, one hopes. The index has declined for three straight months, falling to 85 in December. Still, the bank's 2010 index was up 15 percent from its 2009 average.

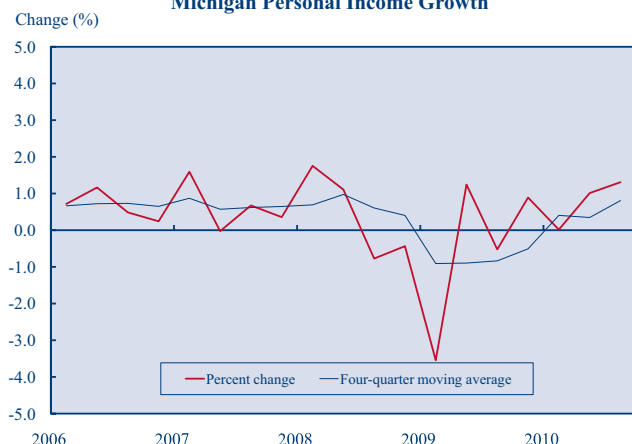
In Lansing, the state's Consensus Revenue Estimating Conference hammered out a forecast which calls for state employment to increase by 0.2 percent or 7,700 jobs in 2011, and by another 1.2 percent or 46,200 jobs in 2012. Personal income is expected to increase by 2.7 percent in 2011 and by another 3.3 percent in 2012.

Retail Activity in Michigan
(12-month moving average)



NOTE: Index = percent reporting an increase in sales + [0.5 x (% reporting no change)].

Michigan Personal Income Growth



Michigan Statistics
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	3,834,530	3,846,230	-0.3	3,852,300	-0.5
Goods-producing	587,170	592,370	-0.9	580,830	1.1
Natural resources and mining	7,470	7,270	2.8	6,900	8.3
Construction	116,270	115,100	1.0	120,400	-3.4
Manufacturing	463,430	470,000	-1.4	453,530	2.2
Durable goods	343,600	347,670	-1.2	334,330	2.8
Nondurable goods	119,830	122,330	-2.0	119,200	0.5
Private service-providing	2,623,230	2,618,470	0.2	2,629,470	-0.2
Trade, transportation, and utilities	708,370	708,000	0.1	708,700	0.0
Transportation and utilities	107,800	108,300	-0.5	110,630	-2.6
Wholesale trade	153,900	152,900	0.7	150,930	2.0
Retail trade	446,670	446,800	0.0	447,130	-0.1
Information	50,430	52,600	-4.1	53,400	-5.6
Financial activities	183,130	181,530	0.9	188,770	-3.0
Professional and business services	519,330	514,600	0.9	515,630	0.7
Educational and health services	625,430	620,200	0.8	621,100	0.7
Leisure and hospitality	371,070	376,130	-1.3	376,400	-1.4
Other services	165,470	165,400	0.0	165,470	0.0
Government	624,130	635,400	-1.8	642,000	-2.8
Unemployment					
Number unemployed	590,250	631,950	-6.6	699,730	-15.6
Unemployment rate (%)	12.0	13.1		14.4	
State indexes (1996=100)					
Local components					
UI initial claims	14,331	15,112	-5.2	71,865	-80.1
New dwelling units ^a	7,595	8,861	-14.3	7,558	0.5

NOTE: Employment numbers for durable, nondurable goods, transportation and utilities, wholesale trade, and retail trade are seasonally adjusted by the W.E. Upjohn Institute. Other numbers are seasonally adjusted by the Bureau of Labor Statistics. Categories may not sum to total due to rounding.

^a Seasonally adjusted annual rates.

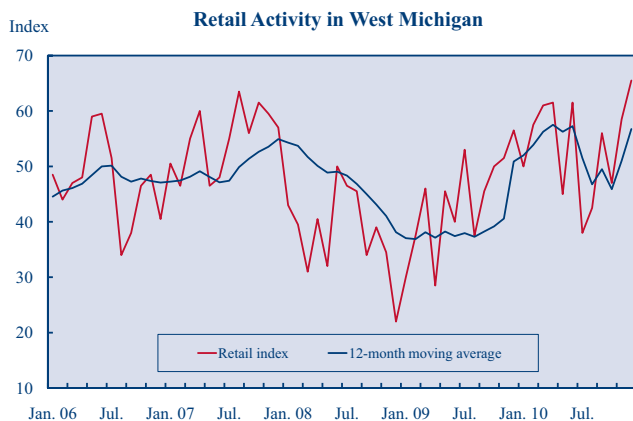
SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from Michigan Department of Energy, Labor and Economic Growth.

WEST MICHIGAN ECONOMY

Still in the Doldrums

Total employment fell 0.3 percent across the six metropolitan areas that make up the greater west Michigan region. Job losses were concentrated in the goods-producing and government sectors; service-providing employers fared slightly better overall, although losses were reported in some metro areas. Surprisingly, the unemployment rate improved; however, the underlying cause was a shrinking of the labor force and not a real improvement in the number of employed residents. On the plus side, economic indicators moved in a modestly positive direction, which suggests that conditions could improve during the early months of 2011.

The goods-producing sector resumed a long-term pattern of decline during the fourth quarter, registering a 0.3 percent reduction in employment. Most job losses occurred in the region's large manufacturing sector, which so far has been unable to tap into the resurgence that is occurring for manufacturers in other parts of the state.



NOTE: Index = percent reporting an increase in sales + $[0.5 \times (\% \text{ reporting no change})]$.

Recent business reports on the major industries in west Michigan paint a mixed picture of future trends. Projections from the Business and Institutional Furniture Manufacturer's Association, a trade group for office furniture producers, suggest that production should expand by 8.3 percent in 2011. However, the recent news that Steelcase will be closing a major production facility near Grand Rapids and laying off 400 workers dampens the likelihood of net employment growth anytime soon. The region's other dominant manufacturing industry—automotive parts suppliers—has so far not shown signs of expansion despite positive news about sales and profitability from the Detroit Three car companies.

The construction and mining sector also suffered a significant decline last quarter as employment dropped by 2.6 percent. Residential construction demand, as measured by contracts for new dwelling units, was down compared to one year ago and showed only modest signs of life during the last three months of the year. Commercial construction projects also seem unlikely to revive in the near term; the 2011 economic forecasting report from Colliers International, a major commercial real estate firm, noted that although absorption and rental rates are expected to improve, construction activity will likely remain quiet in the region.

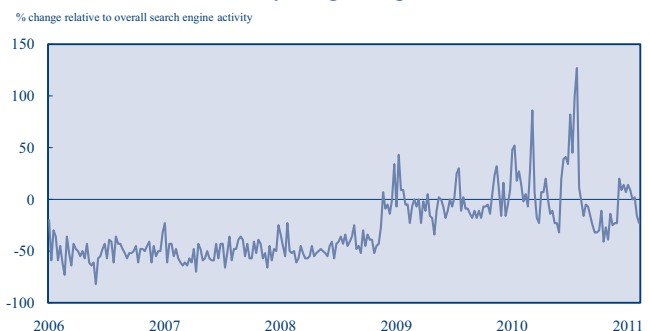
Private service-providing employment was the one bright spot last quarter, experiencing a modest 0.3 percent increase. Professional and business services posted the biggest increase for the quarter with a 1.4-percent, 1,340-worker jump in employment; however, it should be noted that this increase was centered in the Grand Rapids–Wyoming MSA, and other metro areas reported substantial losses. A more widespread and steady source of service job growth has been the educational and health care services industry, which was positive in most west Michigan regions and grew by 0.3 percent across the greater west Michigan region.

Unfortunately, not all the news from the service-providing sector has been positive during the past few months. Recent business reports contained news on several major closings that will be affecting west Michigan in the near future. The Grand Rapids–Wyoming metropolitan area will lose 350 jobs when retailer J.C. Penney closes a call center, and more than 100 jobs are expected to be cut region-wide by AT&T as the telecom giant deals with declines in the landline telephone business.

Government employment declined by 1.2 percent during the fourth quarter. Conditions in the public sector were mixed across the six metropolitan areas that make up the region; however, long-term trends and the budget crisis in Lansing both suggest that government employment levels will only shrink further in 2011.

Overall, the fourth quarter was disappointing for west Michigan. However, signs of improvement were still readily apparent. Manpower's most recent survey of employers indicates that more firms intend to hire over the next three months than plan to eliminate workers. A slowly improving job market was also reflected by a modest fourth-quarter decrease in initial claims for unemployment insurance and in a downtick in the Google index that measures interest in the search topic "welfare and unemployment." Both are signs that layoff activity continues to slow. Finally, the number of contracts for new dwelling units increased modestly during the fourth quarter. Although the market for new homes has not yet recovered, parts of west Michigan are showing signs of life.

Change in Interest in the Search Topic "Welfare and Unemployment in West Michigan," as Measured by Google Insights for Search



West Michigan (6 MSAs) Statistics (seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	764,390	766,360	-0.3	770,670	-0.8
Goods-producing	153,420	155,640	-1.4	159,530	-3.8
Construction and mining	25,060	25,730	-2.6	26,860	-6.7
Manufacturing	128,350	130,010	-1.3	132,680	-3.3
Private service-providing	512,240	510,760	0.3	510,250	0.4
Trade, transportation, and utilities	138,580	138,940	-0.3	139,290	-0.5
Retail trade	83,760	84,010	-0.3	84,340	-0.7
Information (5 MSAs) ^a	7,500	7,600	-1.3	7,800	-3.8
Financial activities	35,020	34,870	0.4	35,160	-0.4
Professional and business services	94,800	93,460	1.4	93,020	1.9
Educational and health services	126,980	126,600	0.3	125,470	1.2
Leisure and hospitality	71,220	71,670	-0.6	71,730	-0.7
Other services	37,550	37,400	0.4	37,190	1.0
Government	98,730	99,960	-1.2	100,890	-2.1
Unemployment					
Number unemployed	98,660	106,150	-7.1	121,650	-18.9
Unemployment rate (%)	10.8	11.5		13.1	
Local indexes					
UI initial claims	2,275	2,320	-1.9	3,151	-27.8
New dwelling units ^b	1,937	1,797	7.8	2,101	-7.8

NOTE: Categories may not sum to total because of rounding.

^a Information employment data are not available for Battle Creek MSA.

^b Seasonally adjusted annual rates. Van Buren County is not included. yhjnSOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

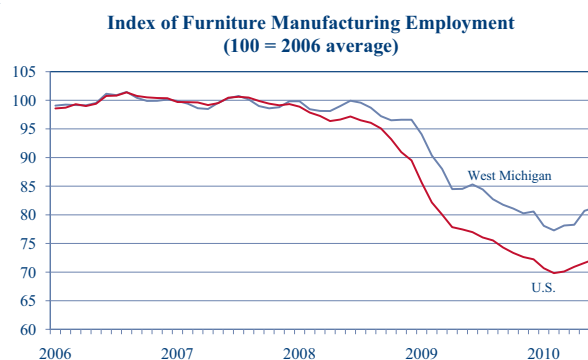
OFFICE FURNITURE INDUSTRY UPDATE

Conditions in the office furniture industry worsened dramatically during the 2007–2009 national recession. According to the Business and Institutional Furniture Manufacturer's Association (BIFMA), U.S. demand for office furniture fell by 3.2 percent in 2008 and plunged by a whopping 29 percent in 2009.

Fortunately, the office furniture industry has fared better in west Michigan over the past five years. As shown in the accompanying chart, which indexes employment to the 2006 level, office furniture employment in the portion of west Michigan where the industry is most dominant (a seven-county area that includes the Holland, Muskegon, and Grand Rapids–Wyoming metropolitan areas, as well as Allegan County), has fallen to roughly 80 percent of its 2006 level. In comparison, total U.S. office furniture manufacturing employment fell to about 70 percent of its 2006 level during the same period.

Of course, a national economic recovery is now underway, and news reports indicate that office furniture industry sales and profits began to return in 2010; however, some concerns remain. One issue is the disparity between sales and production in the United States, which has widened over past decade. In 1991 total domestic office furniture

production represented roughly 99 percent of total domestic consumption, but as of 2009 that figure had fallen to 85 percent.



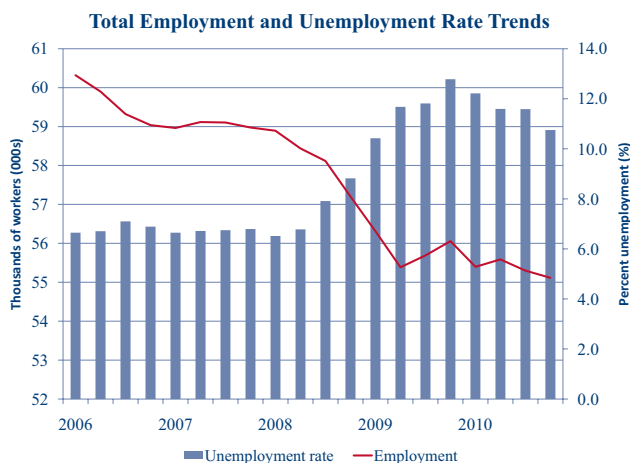
Currently, BIFMA's projections for office furniture consumption predict a 6.3 percent increase in domestic consumption in 2010, followed by a 10.0 percent increase in 2011; however, according to the same projections, office furniture production is only expected to rise by 4.4 percent in 2010 and by 8.3 percent in 2011. If the recovering demand for office furniture is supplied by imports instead of an increase in domestic output, sector employment may never return to its previous level.

BATTLE CREEK MSA

A Modest Decline Overshadows a Few Positive Signs

Total employment fell 0.4 percent in Calhoun County last quarter, although the unemployment rate actually improved, falling from 11.6 to 10.8 percent. Two main industries were responsible for most of the job losses during the three-month period: manufacturing and government. In contrast, the large service-providing sector held steady, even though its underlying industries posted a mixed performance. On a positive note, regional economic indicators were upbeat and suggest that conditions may improve next quarter.

The new chart of long-term employment and unemployment trends, shown below, illustrates the difficult times that the region has faced over the past five years. Total employment is currently down more than 5,000 jobs from 2006, when the region employed over 60,000 workers. The region's unemployment rate has been improving over the past few quarters but is still high compared to pre-2008 levels.

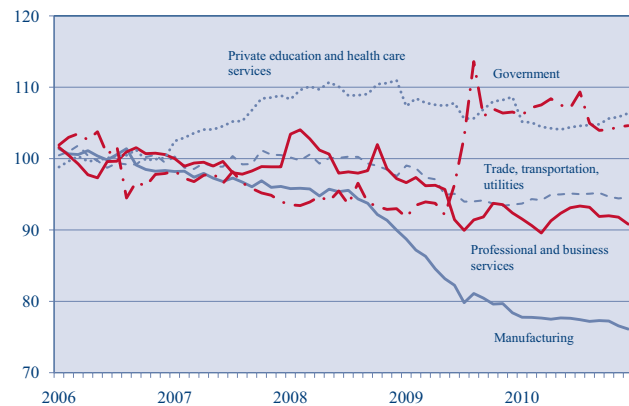


Another new feature being introduced this issue is a five-year trend analysis for major industry employment in the region. As shown in the chart in the right-hand column, only the private educational and health care services industry has shown a steady increase in employment since 2006. Government employment in Calhoun County leaped in mid-2009 as a result of the opening of the Firekeepers Casino, which is classified as a public employer because of its unique tribal ownership status; however, since then public-sector employment has reverted to a downward trend. The worst performer has been the manufacturing sector, which was already consistently shedding jobs prior to the economic recession that began at the end of 2007. Both the professional and business services sector and the trade sector, which includes retail, wholesale, and warehousing operations, were holding their own until midway through the recession, but have since experienced a moderate erosion in workforce numbers.

During the fourth quarter, the goods-producing sector experienced a mixed performance: manufacturing fell, but the mining and construction industry posted a modest rebound. The downturn in manufacturing was disappointing, given that manufacturing—particularly in industries related to automobile production—has begun to turn around at the state

level. Locally, both the durable-goods and nondurable-goods industries shed jobs, which is a sign that weakness remains widespread. On the plus side, however, the uptick in mining and construction employment registered a strong 1.7 percent increase, which helped the industry's workforce stay stable compared to last year.

Five-Year Employment Trend for Select Industries, Indexed to 2006 Average



Employment in the private service-providing sector remained flat during the fourth quarter. Among the underlying service industries, performances were varied over the three-month period. Educational and health services posted a nice 110-job increase, which unfortunately was offset by sizable reductions in the professional and business services industry and the trade, transportation, and utilities industry.

The government sector was a major source of job losses last quarter. The 170 public-sector jobs eliminated during the last three months of 2010 represent approximately three-fourths of the decline in total employment in the region. Additionally, the long-term trends in government employment are negative, as illustrated by both the five-year trend and the sizable 2.1 percent decrease seen in sector employment over the past year.

Fortunately, not all the economic news coming out of the region was bad during the fourth quarter. Initial claims for unemployment insurance fell 4.8 percent and are now nearing the average level of initial claims seen in the region during more robust periods. New dwelling units also increased, which is both an indicator of recovering consumer confidence and a sign of a recovering residential construction market.

Battle Creek MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	55,130	55,360	-0.4	56,080	-1.7
Goods-producing	11,610	11,670	-0.5	11,940	-2.8
Construction and mining	1,810	1,780	1.7	1,810	0.0
Manufacturing	9,810	9,890	-0.8	10,140	-3.3
Durable goods	6,380	6,440	-0.9	6,620	-3.6
Nondurable goods	3,420	3,440	-0.6	3,520	-2.8
Private service-providing ^a	33,000	33,000	0.0	33,390	-1.2
Trade, transportation, and utilities	9,070	9,120	-0.5	8,970	1.1
Retail trade	5,690	5,700	-0.2	5,720	-0.5
Financial activities	1,400	1,390	0.7	1,400	0.0
Professional and business services	5,550	5,630	-1.4	5,650	-1.8
Educational and health services	9,500	9,390	1.2	9,710	-2.2
Leisure and hospitality	4,600	4,590	0.2	4,740	-3.0
Other services	2,400	2,400	0.0	2,400	0.0
Government	10,520	10,690	-1.6	10,750	-2.1
Unemployment					
Number unemployed	7,260	7,900	-8.1	8,830	-17.8
Unemployment rate (%)	10.8	11.6		12.8	
Local indexes					
UI initial claims	228	240	-5.0	285	-20.0
New dwelling units ^b	27	19	42.1	19	42.1

NOTES: Categories may not sum to total because of rounding.

^a Data for information services is included in the "other services" sector.

^b Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Battle Creek MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Ambulatory health care services	2,830	2,740	3.3
Food manufacturing	2,310	2,300	0.4	Arts, entertainment, and recreation	830	790	5.1
Fabricated metal products mfg.	1,580	1,270	24.4	Accommodation and food services	3,960	4,120	-3.9
Transportation equipment mfg.	3,580	4,110	-12.9	Food services and drinking places	3,670	3,950	-7.1
Private service-providing				Government			
Professional and technical services	2,190	2,220	-1.4	Federal government	3,120	3,050	2.3
Administrative and support services	2,680	2,410	11.2	State government	420	430	-2.3
Educational services	1,300	1,270	2.4	Local government	6,950	5,950	16.8
Health care and social assistance	8,000	7,850	1.9				

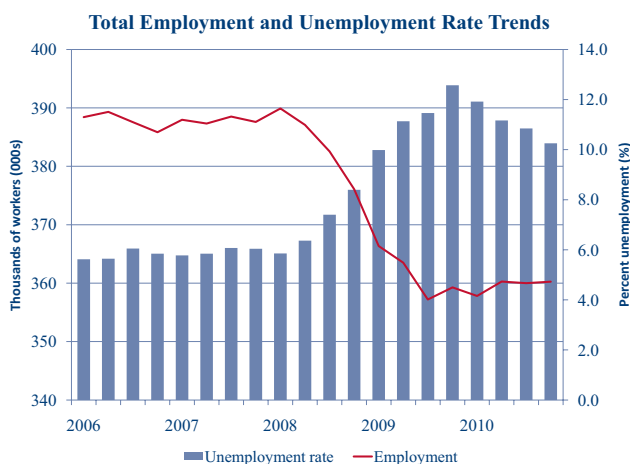
SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

GRAND RAPIDS–WYOMING MSA

Service Industry Employment Helps to Keep Region Stable

Employment was flat in the Grand Rapids–Wyoming metropolitan area during the last quarter of 2010. The private service-providing sector posted strong job growth, which was offset by payroll reductions in both the goods-producing sector and the government sector. Still, the unemployment rate managed to improve, dipping from 10.8 percent to 10.3 percent as both the number of unemployed workers and the size of the labor force shrank. Fortunately, the region's economic indicators were positive, which suggests that conditions will improve over the next three months.

Over the past five years, total employment has plunged by approximately 30,000 jobs. Unemployment has risen dramatically compared to 2006 and 2007, when the regional rate hovered around 6.0 percent.

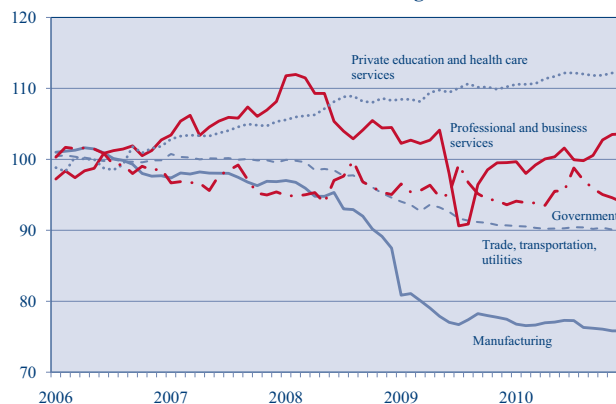


Trends over the past five years reflect major changes to the region's economic identity. As the chart in the next column shows, five of the region's major industries faced very different conditions prior to, during, and now after the 2007–2009 recession. Both the private education and health care services sector and the professional and business services sector experienced growth during the past few years and are reflective of the metropolitan area's emerging new economy. However, while health care in particular weathered the recession without any major periods of employment loss, professional and business services employment has only recently climbed back above 2006 levels. At the other end of the spectrum, manufacturing employment has been declining at varying rates for many years, while government and the trade, transportation, and utilities sector have suffered though a more modest, recession-related period of decline.

During the fourth quarter, continued weakness in both the manufacturing sector and the mining and construction sector dragged down overall goods-producing employment by 1.2 percent. The construction and mining sector, which shed 370 jobs, remains hampered by weak demand for both commercial and residential structures, although recent increases in the number of contracts for new dwelling units suggest that home building may be showing signs of life.

In manufacturing, workforce losses were widespread, as both durable and nondurable goods producers have been cutting jobs. Unfortunately, further cuts in manufacturing are almost inevitable for at least another quarter as a result of the recently announced closure of a major Steelcase facility in Kentwood. Other local expansions, such as Challenger Manufacturing's recently announced 100-worker addition, may help but are unlikely to be sufficient to offset the 400 jobs that will be shed when Steelcase's seating production facility closes.

Five-Year Employment Trend for Select Industries, Indexed to 2006 Average



Fortunately, the fourth quarter was better in the private service-providing sector, which expanded its workforce by 0.7 percent. Leading the charge was professional and business services, which grew by 3.2 percent for a gain of more than 1,700 jobs. Most other service industries posted flat or negative growth during the period, with the exception of financial activities, educational and health services, and "other services," which all experienced modest job gains. Unfortunately, however, the good news may not last into the next quarter. The J.C. Penney call center will be closing soon, which will eliminate 370 jobs, and the telecom utility AT&T has plans to eliminate around 110 workers in west Michigan as a result of shrinking landline telephone business. These recently announced losses will likely show up sometime during the first half of 2011.

Government employment fell by 2.8 percent last quarter, which represents a substantial loss of more than 1,000 jobs. Most losses are occurring at state and local government operations; between the second quarter of 2009 and the second quarter of 2010, both state and local government workforce levels shrank. Over the next year it seems almost inevitable that these losses will continue as the new government in Lansing comes to grips with a difficult state budget situation.

Economic indicators for the region suggest that conditions could improve during the first months of the year. According to the latest survey conducted by Manpower, area employers "expect to hire at a mild pace." Initial claims for unemployment insurance were down during the quarter, which indicates that layoff activity continues to slow. Finally, a bump in the number of contracts for new dwelling units suggests that the residential home construction market is improving.

Grand Rapids–Wyoming MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	360,350	360,390	0.0	359,340	0.3
Goods-producing	67,890	68,690	-1.2	69,910	-2.9
Construction and mining	12,430	12,800	-2.9	13,120	-5.3
Manufacturing	55,450	55,950	-0.9	56,780	-2.3
Durable goods	36,260	36,410	-0.4	37,090	-2.2
Nondurable goods	19,230	19,540	-1.6	19,720	-2.5
Private service-providing	257,230	255,460	0.7	254,380	1.1
Trade, transportation, and utilities	66,440	66,570	-0.2	66,920	-0.7
Transportation and utilities	9,420	9,420	0.0	9,520	-1.1
Wholesale trade	20,020	20,060	-0.2	20,220	-1.0
Retail trade	36,990	37,090	-0.3	37,180	-0.5
Information	4,090	4,190	-2.4	4,390	-6.8
Financial activities	18,650	18,620	0.2	18,750	-0.5
Professional and business services	55,840	54,120	3.2	53,630	4.1
Educational and health services	62,800	62,740	0.1	61,670	1.8
Leisure and hospitality	31,450	31,530	-0.3	31,340	0.4
Other services	17,870	17,820	0.3	17,630	1.4
Government	35,230	36,240	-2.8	35,050	0.5
Unemployment					
Number unemployed	39,920	42,510	-6.1	49,350	-19.1
Unemployment rate (%)	10.3	10.8		12.6	
Local indexes					
UI initial claims	856	873	-1.9	1,161	-26.3
New dwelling units ^a	850	816	4.2	1,001	-15.1

NOTE: Categories may not sum to total because of rounding.

^a Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Info. Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Grand Rapids–Wyoming MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Health care and social assistance	49,960	48,680	2.6
Food manufacturing	6,410	6,260	2.4	Ambulatory health care services	15,060	14,210	6.0
Chemical manufacturing	3,930	3,870	1.6	Hospitals	20,640	20,090	2.7
Plastics and rubber products mfg.	5,230	5,000	4.6	Arts, entertainment, and recreation	4,320	4,270	1.2
Fabricated metal products mfg.	5,770	5,280	9.3	Accommodation and food services	27,320	26,600	2.7
Machinery manufacturing	6,790	6,460	5.1	Food services and drinking places	25,110	24,330	3.2
Transportation equipment mfg.	8,860	8,360	6.0	Government			
Furniture and related products mfg.	5,670	5,930	-4.4	Federal government	3,910	3,490	12.0
Private service-providing				State government	3,290	3,630	-9.4
Professional and technical services	14,050	14,480	-3.0	Local government	27,300	28,110	-2.9
Administrative and support services	31,120	30,930	0.6				
Educational services	8,820	9,470	-6.9				

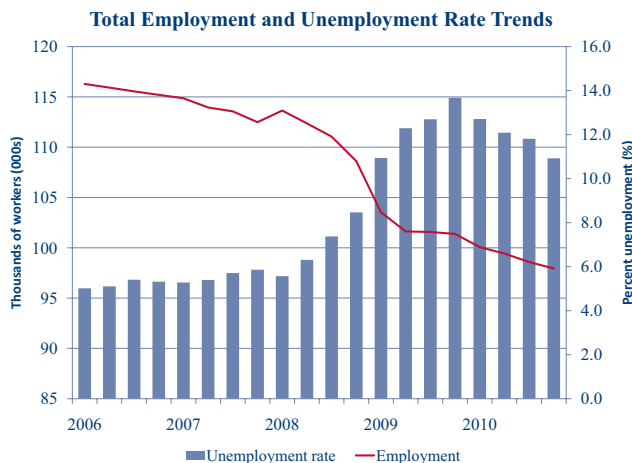
SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

HOLLAND–GRAND HAVEN MSA

Manufacturing Losses Still Outweigh Service-Sector Gains

Total employment in Ottawa County declined by 0.4 percent during the last quarter of the year. Workforce reductions occurred in both the goods-producing and government sectors, while private service providers posted a modest net employment gain. Despite the reported job cuts, the region's unemployment rate improved; however, the underlying cause was workers leaving the labor force, not an increase in employed residents. The region's limited economic indicators were mixed for the period and provide little evidence about how the region might fare during the coming months.

New this issue, a chart of long-term employment and unemployment rate trends illustrates the difficulties the region has faced. Although unemployment conditions have been improving, local employment levels have been on a mostly downward course since 2006.



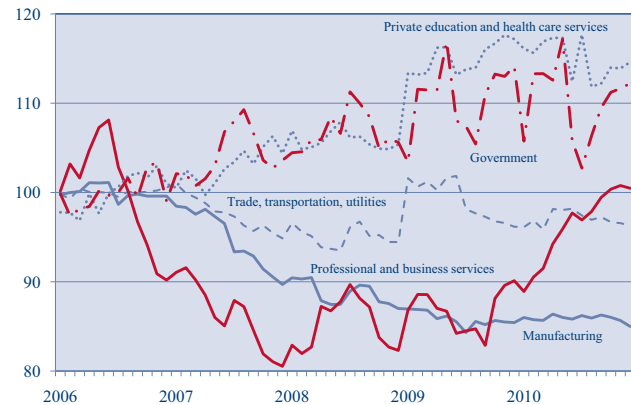
Over the past five years, employment trends have been wildly mixed across industries in the region. A new chart, showing employment trends indexed to 2006, clearly illustrates the disparity in employment performance among five selected sectors of the economy. At the positive end, the educational and health services sector has experienced robust long-term growth, even throughout the 2007–2009 recessionary period. Government employment trends have also been surprisingly strong since 2006, which may to a certain degree reflect hiring by Grand Valley State University in Allendale. Grand Valley has reported steady enrollment growth in recent years.

On a more negative note, both professional and business services employment and manufacturing employment reported difficult employment trends during the 2006–2010 period. However, during 2010 the number of business and professional service jobs in the region rebounded significantly, while manufacturing employment has remained in the doldrums. Trade, transportation, and utilities employment, which includes major activities such as retail and warehousing, has varied over the past five years but is currently below the highs seen several years ago.

Goods-producing employment fell by 1.9 percent during the fourth quarter. The construction and mining industry shrank

by 3.1 percent during that quarter, which was more than double the loss seen during the third quarter. These recent losses mark a turnaround from earlier in 2010, when the outlook for construction-related activity seemed promising based on shrinking losses in the construction and mining industry and a rebounding market for new homes. Of course, the main source of goods-producing job losses was the manufacturing sector, which fell by 1.8 percent, a 480-job loss.

Five-Year Employment Trend for Select Industries, Indexed to 2006 Average



Conditions were better during the quarter in the private service-providing sector, which grew by 0.4 percent. Gains were widespread across the region's service industries: only the leisure and hospitality sector and the "other services" sector reported job losses. The educational and health services sector, which has been a regular source of job growth in the region, added 80 jobs for a 0.7 percent increase. Both information and financial activities reported robust 1.4 percent increases in employment. Overall, it was a surprisingly good quarter for service firms, given the weakness in employment seen in the other major sectors of the region.

Government employment fell by 0.7 percent during the quarter and was down significantly compared to the previous year. As shown on the index chart of five-year employment trends, government employment numbers have been highly volatile for Ottawa County, although there has been an overall upward trend during the past few years. The most likely source of recent growth in public sector employment is state-level activities, which are dominated by Grand Valley State University. Between the second quarter of 2009 and the second quarter of 2010, state government employment grew by 15.3 percent, a 340-job gain.

Economic indicators for the region were mixed last quarter. The number of initial claims for UI benefits continued to move in the right direction with an 8.0 percent reduction, which is a good indicator of future job market improvement. Construction contracts for new dwelling units declined slightly during the quarter, however, and were also down compared to the previous year, which suggests that the market for new homes is still deteriorating.

Holland–Grand Haven MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	98,040	98,470	-0.4	101,400	-3.3
Goods-producing	29,750	30,330	-1.9	31,440	-5.4
Construction and mining	3,690	3,810	-3.1	4,180	-11.7
Manufacturing	26,060	26,540	-1.8	27,260	-4.4
Private service-providing	55,810	55,570	0.4	55,460	0.6
Trade, transportation, and utilities	16,580	16,520	0.4	16,450	0.8
Retail trade	9,400	9,340	0.6	9,400	0.0
Information	710	700	1.4	710	0.0
Financial activities	2,910	2,870	1.4	2,910	0.0
Professional and business services	11,270	11,230	0.4	11,190	0.7
Educational and health services	11,330	11,250	0.7	11,200	1.2
Leisure and hospitality	7,990	8,020	-0.4	8,100	-1.4
Other services	4,980	4,990	-0.2	4,880	2.0
Government	12,480	12,570	-0.7	14,500	-13.9
Unemployment					
Number unemployed	13,680	15,060	-9.2	17,810	-23.2
Unemployment rate (%)	10.9	11.8		13.7	
Local indexes					
UI initial claims	346	376	-8.0	529	-34.6
New dwelling units ^a	366	368	-0.5	463	-21.0

NOTE: Categories may not sum to total because of rounding.

^a Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Holland–Grand Haven MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Health care and social assistance	8,520	8,090	5.3
Food manufacturing	3,180	3,130	1.6	Ambulatory health care services	3,900	3,640	7.1
Fabricated metal products mfg.	3,780	3,380	11.8	Arts, entertainment, and recreation	980	1,040	-5.8
Machinery manufacturing	1,940	1,980	-2.0	Accommodation and food services	7,390	7,180	2.9
Transportation equipment mfg.	4,200	3,860	8.8	Food services and drinking places	6,810	6,650	2.4
Furniture and related products mfg.	4,860	5,180	-6.2	Government			
Private service-providing				Federal government	560	490	14.3
Professional and technical services	3,130	3,090	1.3	State government	2,560	2,220	15.3
Administrative and support services	6,380	5,330	19.7	Local government	10,400	10,420	-0.2
Educational services	2,100	2,090	0.5				

SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

Another Quarter of Moderate Decline

Employment in the Kalamazoo-Portage metropolitan area declined by 0.3 percent last quarter. Government employment actually grew; however, those gains were offset by widespread losses in the private sector. Still, the region's unemployment rate improved as a result of a slight decrease in labor force participation and an increase in residential employment, which taken together indicated that some workers have been finding jobs outside the region. Economic indicators moved in a positive direction, which, it is hoped, foreshadows an improvement in conditions over the next few months.

This issue's new chart showing the five-year trend in the unemployment rate and in total employment clearly illustrates the magnitude of the economic downturn. Total employment has fallen by more than 10,000 since 2006, and the region has yet to reestablish a growth trend. Unemployment rates have been improving but are still high compared to pre-2008 levels.



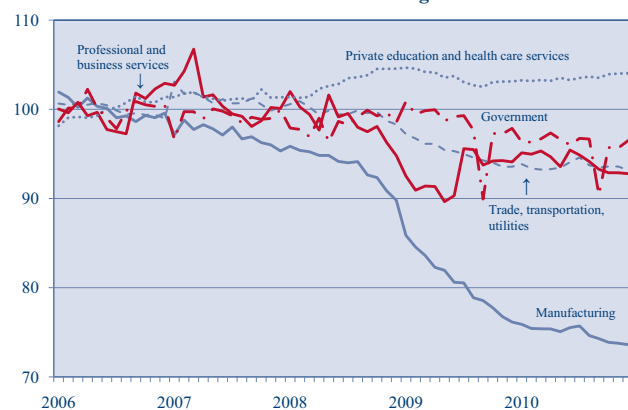
Another new feature for this issue of Business Outlook is a review of long-term employment trends in each region of west Michigan. As the chart below illustrates, one sector—private education and health services—stands out, with steady growth over the past five years. At the other end of the spectrum, the region's manufacturing sector has been on a path of sustained decline for many years now, although the pace of job losses did increase during the 2007–2009 national recession. The other three sectors shown in the chart—1) trade, transportation, and utilities, 2) government, and 3) professional and business services—kept employment levels near the 2006 average prior to the recession, but have since declined.

Goods-producing employment fell by 1.8 percent during the quarter, as both the manufacturing sector and the mining and construction sector continued to cut jobs. Although there have been signs the region's residential housing market may be beginning to recover, so far there has been little impact on construction hiring. In manufacturing, weakness remains spread across both durable and nondurable goods producers, as both production categories posted a similar percentage drop during the last three months of the year. Unfortunately, apart

from a recently announced expansion at Bell's Brewery that should create 50 jobs in the coming months, there have been few news reports that would suggest that a major turnaround for local goods producers is in the works.

Employment in the private service-providing sector decreased by 0.3 percent during the quarter, although the total workforce level was essentially flat compared to the previous year. Most of the losses occurred in the professional and business services sector and the leisure and hospitality sector. The only noteworthy gains among service providers occurred in the "other services" category and in the education and health care services industry.

Five-Year Employment Trend for Select Industries, Indexed to 2006 Average



Government employers posted a 1.4 percent gain during the last quarter, which helped to offset some of the job losses in the private sector. Between the second quarter of 2009 and the second quarter of 2010, both federal and state government employment rose; however, local government—a category that includes public K–12 schools and municipal offices—shed jobs. Local government activities are likely to face continued fiscal pressure in the future as demographics curtail public school growth and municipalities struggle with stagnant tax revenues and state support. State government is also generally expected to decline next year as the new government in Lansing addresses ongoing budget shortfalls; however, locally, state government employment may be boosted by Western Michigan University, which has reported enrollment growth during the past year.

Despite a disappointing end to 2010, there are some positive signs for the area heading into 2011. Initial claims for unemployment insurance fell during the quarter and were down by 26.3 percent compared to this time a year ago, which suggests continued diminishment of layoff activity. Area purchasing managers are also optimistic and have been reporting increases in sales and in hiring activity by the region's manufacturing firms. Finally, the number of new dwelling units was up slightly, which suggests a stabilizing market for new homes in the region.

Kalamazoo-Portage MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	134,890	135,240	-0.3	136,380	-1.1
Goods-producing	21,260	21,650	-1.8	22,390	-5.0
Construction and mining	4,090	4,220	-3.1	4,490	-8.9
Manufacturing	17,170	17,430	-1.5	17,900	-4.1
Durable goods	9,380	9,520	-1.5	9,520	-1.5
Nondurable goods	7,800	7,910	-1.4	8,230	-5.2
Private service-providing	91,110	91,390	-0.3	91,120	0.0
Trade, transportation, and utilities	22,970	23,080	-0.5	23,030	-0.3
Transportation and utilities	3,460	3,450	0.3	3,390	2.1
Wholesale trade	5,120	5,080	0.8	5,120	0.0
Retail trade	14,410	14,540	-0.9	14,540	-0.9
Information	1,400	1,410	-0.7	1,400	0.0
Financial activities	7,920	7,940	-0.3	8,020	-1.2
Professional and business services	14,370	14,560	-1.3	14,570	-1.4
Educational and health services	22,310	22,220	0.4	22,120	0.9
Leisure and hospitality	15,200	15,380	-1.2	15,170	0.2
Other services	6,930	6,840	1.3	6,800	1.9
Government	22,520	22,200	1.4	22,870	-1.5
Unemployment					
Number unemployed	17,670	19,010	-7.0	21,090	-16.2
Unemployment rate (%)	10.4	11.1		12.3	
Local indexes					
UI initial claims	306	310	-1.3	415	-26.3
New dwelling units ^a	372	347	7.2	366	1.6

NOTE: Categories may not sum to total because of rounding.

^a Seasonally adjusted annual rates; does not include Van Buren County dwelling permit data.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Kalamazoo-Portage MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Health care and social assistance	18,860	18,910	-0.3
Food manufacturing	1,680	1,620	3.7	Ambulatory health care services	6,500	6,340	2.5
Paper manufacturing	1,710	1,690	1.2	Hospitals	6,530	6,550	-0.3
Fabricated metal products mfg.	1,720	1,660	3.6	Arts, entertainment, and recreation	1,670	1,780	-6.2
Machinery manufacturing	1,830	1,840	-0.5	Accommodation and food services	13,060	13,540	-3.5
Transportation equipment mfg.	2,010	2,610	-23.0	Food services and drinking places	11,610	11,960	-2.9
Private service-providing				Government			
Professional and technical services	5,130	5,670	-9.5	Federal government	1,480	1,250	18.4
Administrative and support services	6,750	6,260	7.8	State government	4,270	4,120	3.6
Educational services	2,290	2,320	-1.3	Local government	13,760	13,940	-1.3

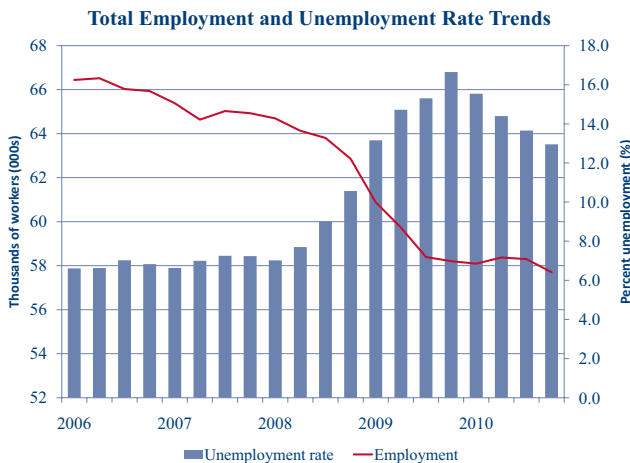
SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

MUSKEGON-NORTON SHORES MSA

A Disappointing Way to End the Year

Muskegon County experienced a disappointing 1.0 percent drop in total employment last quarter. Losses were widespread across most sectors of the economy, although goods-producing activities posted the largest reductions in percentage terms. Surprisingly, the unemployment rate still managed to improve, although at 13 percent it remains higher than for any other region in west Michigan. Unfortunately, an analysis of the underlying data indicates that the unemployment rate declined only because residents are dropping out of the labor force, not because they are finding work outside the region. To make matters worse, local economic indicators suggest that conditions may actually take a turn for the worse during the first few months of 2011.

This issue introduces a new chart showing five-year trends for total employment and the unemployment rate in the region. As the chart below illustrates, most of the region's employment losses occurred in late 2008 and early 2009, although a slight downward trend was in place prior to the national recession. Since the second half of 2009, employment has stabilized and the unemployment rate has improved; however, the overall rate remains at nearly twice the level seen during the years before the downturn.

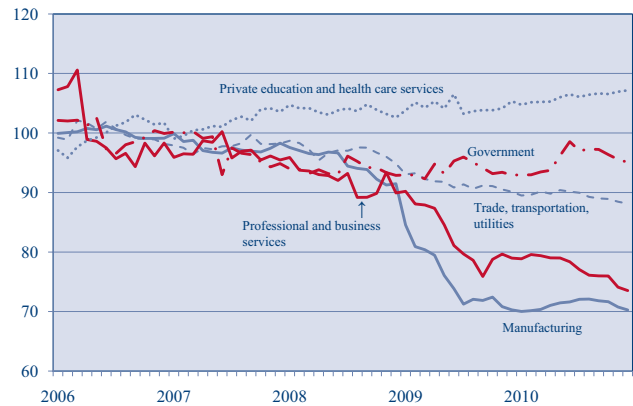


Over the long term, many of the major sectors in the Muskegon-Norton Shores MSA have struggled to maintain employment. As shown on the index chart of five-year employment (next column), which is a new feature for this publication, only the private education and health services sector has posted steady employment gains during the past five years. The other four sectors selected for analysis have all shed jobs since 2006; however, two sectors—1) professional and business services and 2) manufacturing—experienced more significant cuts during the 2007–2009 recessionary period.

During the fourth quarter, the goods-producing sector reported the largest cuts in both numeric and percentage terms. The construction and mining sector was particularly hard-hit and shrank by 7.8 percent, which wiped out the gains that had been reported during the third quarter of 2010. The manufacturing sector fell by a more modest 1.5 percent, which was disappointing but not totally unexpected given the long-term negative trend in the industry.

Private service-providing employment shrank by 0.5 percent during the fourth quarter as workforce reductions were reported across most of the region's service industries. Only two service industries—1) information and 2) educational and health services—were able to post gains, although the increase in information employment was negligible. Educational and health services experienced a nice 60-job bump, but this was more than washed out by reductions in other industries. The largest job loss occurred in leisure and hospitality, which shed 150 workers.

Five-Year Employment Trend for Select Industries Indexed to 2006 Average



Employment in the government sector declined by 1.6 percent during the fourth quarter, although the total public-sector workforce remained up slightly compared to the previous year. Long-term trends in government employment have been negative in most parts of west Michigan; however, the region did see a bump in federal government employment during the four quarters that ended with the second quarter of 2010.

Unfortunately, the region's economic indicators do not paint an optimistic picture of conditions over the next few months. The market for new homes showed serious signs of struggle: new-dwelling-unit contracts fell during the quarter and were down compared to the previous year. This marks a stark reversal from the second and third quarters of 2010, when the residential home market was showing signs of improvement. Additionally, initial unemployment insurance claims rose slightly during the last three months of the year. Although the fourth-quarter initial claims numbers were still down compared to one year earlier, the recent uptick suggests that employment conditions are stagnating instead of improving.

Muskegon–Norton Shores MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	57,720	58,300	-1.0	58,240	-0.9
Goods-producing	10,700	10,950	-2.3	10,840	-1.3
Construction and mining	1,420	1,540	-7.8	1,520	-6.6
Manufacturing	9,280	9,420	-1.5	9,320	-0.4
Private service-providing	38,030	38,210	-0.5	38,640	-1.6
Trade, transportation, and utilities	12,630	12,760	-1.0	12,930	-2.3
Retail trade	10,420	10,490	-0.7	10,710	-2.7
Information	710	700	1.4	700	1.4
Financial activities	1,920	1,880	2.1	1,910	0.5
Professional and business services	2,710	2,780	-2.5	2,880	-5.9
Educational and health services	11,490	11,430	0.5	11,230	2.3
Leisure and hospitality	6,030	6,180	-2.4	6,350	-5.0
Other services	2,560	2,570	-0.4	2,660	-3.8
Government	8,990	9,140	-1.6	8,760	2.6
Unemployment					
Number unemployed	10,840	11,710	-7.4	14,470	-25.1
Unemployment rate (%)	13.0	13.7		16.7	
Local indexes					
UI initial claims	316	309	2.3	469	-32.6
New dwelling units ^a	66	101	-34.7	114	-42.1

NOTE: Categories may not sum to total because of rounding.

^a Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Muskegon–Norton Shores MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Health care and social assistance	9,540	9,900	-3.6
Primary metal manufacturing	3,120	2,970	5.1	Ambulatory health care services	3,200	3,190	0.3
Fabricated metal products mfg.	2,210	2,120	4.2	Hospitals	3,510	3,760	-6.6
Machinery manufacturing	1,270	1,500	-15.3	Arts, entertainment, and recreation	1,360	1,300	4.6
Transportation equipment mfg.	760	650	16.9	Accommodation and food services	5,370	5,500	-2.4
Private service-producing				Food services and drinking places	4,980	5,110	-2.5
Professional and technical services	870	940	-7.4	Government			
Administrative and support services	1,370	1,690	-18.9	Federal government	580	390	48.7
Educational services	1,060	1,040	1.9	State government	1,130	1,210	-6.6
				Local government	6,990	7,180	-2.6

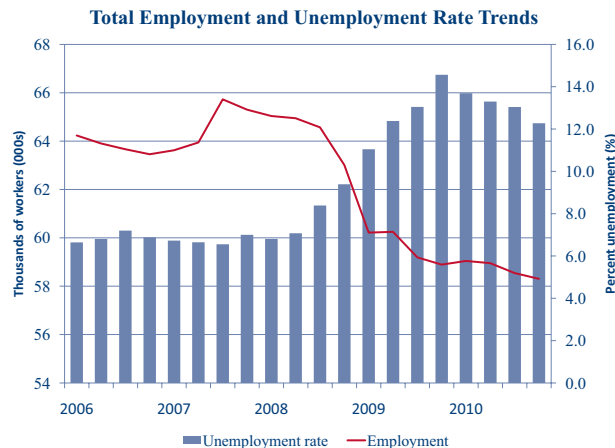
SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

NILES-BENTON HARBOR MSA

Difficult Employment Conditions Persist

Total employment fell 0.6 percent in Berrien County last quarter. Job losses were spread across industries, yet the region's unemployment rate actually managed to improve as unemployed residents either left the labor market or found work outside the area. Economic indicators were mixed: the residential housing market showed signs of life, but initial unemployment claims rose.

As shown in the new five-year chart below, total employment peaked in 2007 before plunging in 2008 and 2009, while the unemployment rate doubled.



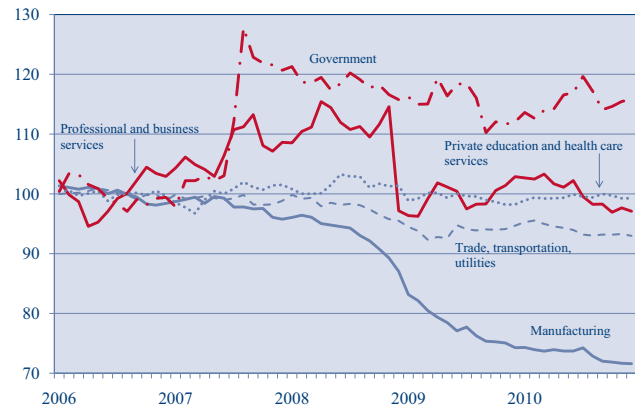
A new feature being introduced this issue is a five-year trend analysis for major industry employment in the region. As the chart in the right-hand column illustrates, the employment performance of the five listed industries has not been strong in recent years. Government employment has grown since 2006; however, the increase was solely the result of the opening of the Four Winds Casino in New Buffalo, which is classified as a public entity because of its tribal ownership status. Professional and business service jobs were growing prior to the recession but have since retreated and are now below 2006 levels. Private education and health care services, which is an industry that has posted solid growth in other west Michigan regions, has posted mostly flat employment during the last five years. The heaviest job losses have occurred in trade, transportation, and utilities, which dipped during the recession, and in the manufacturing sector, which has been facing long-term downward trends.

Unfortunately, the negative trend for manufacturing was present during the last quarter of 2010, as the region's manufacturers shed 200 jobs. The decline in manufacturing was enough to drag down the entire goods-producing sector by 1.1 percent despite a nice uptick in mining and construction employment. Total employment in the mining and construction sector rose by 2.5 percent, a 40-job gain, but was still down compared to the previous year. Part of the rebound may be related to a recovery of the market for new residential construction, which has recently shown signs of improvement.

Employment in the private service-providing sector fell by 0.2 percent as the region's service industries reported a

mixed quarter. Surprisingly, financial activities posted a bump in employment, and the trade, transportation, and utilities industry was able to hold its workforce steady. Unfortunately, losses were reported in most of the remaining service industries. Professional and business services posted the largest decline, an 80-job reduction. It should be noted that the professional and business services industry includes numerous support activities, including temporary employment agencies, that can be volatile during periods of economic change. For example, between the second quarter of 2009 and the second quarter of 2010, the two subsectors of professional and business services had very different performances: professional and technical employment was just above flat, while administrative and support employment soared by 17.8 percent.

Five-Year Employment Trend for Select Industries, Indexed to 2006 Average



Government employment declined 1.4 percent during the last three months of 2010, although the overall level was up slightly compared to the previous year. As shown earlier, public agencies have generally faced downward employment trends over the long term. With the exception of tribal casinos, which operate in a very different market, most state and local operations are likely to face even more cuts over the next few years, as the government in Lansing seeks to balance Michigan's budget.

The limited economic indicators for the region moved in different directions last quarter. Initial claims for unemployment insurance actually rose slightly, which is not a good sign for hiring since it suggests that layoff activity may be resuming. However, it should be noted that in absolute terms the rate of initial unemployment insurance claims has reached a level that is near the long-term average seen during the past five years, which is one sign that the employment market is nearly back to normal. On a more positive note, the number of contracts for new dwelling units issued during the last three months of 2010 increased at a very strong pace. Growth in the market for residential construction should reflect an increase in the confidence of buyers in the region, as well as perhaps a return to optimism for the vacation and investment property market in Berrien County's lakeshore communities.

Niles–Benton Harbor MSA
(seasonally adjusted)

Measure	2010 Q4	2010 Q3	% change, Q3 to Q4	2009 Q4	% change, Q4 to Q4
Employment (by place of work)					
Total nonfarm employment	58,260	58,600	-0.6	59,230	-1.6
Goods-producing	12,210	12,350	-1.1	13,010	-6.1
Construction and mining	1,620	1,580	2.5	1,740	-6.9
Manufacturing	10,580	10,780	-1.9	11,280	-6.2
Private service-providing	37,060	37,130	-0.2	37,260	-0.5
Trade, transportation, and utilities	10,890	10,890	0.0	10,990	-0.9
Retail trade	6,850	6,850	0.0	6,790	0.9
Information	590	600	-1.7	600	-1.7
Financial activities	2,220	2,170	2.3	2,170	2.3
Professional and business services	5,060	5,140	-1.6	5,100	-0.8
Educational and health services	9,550	9,570	-0.2	9,540	0.1
Leisure and hospitality	5,950	5,970	-0.3	6,030	-1.3
Other services	2,810	2,780	1.1	2,820	-0.4
Government	8,990	9,120	-1.4	8,960	0.3
Unemployment					
Number unemployed	9,290	9,960	-6.7	10,100	-8.0
Unemployment rate (%)	12.3	13.0		13.0	
Local indexes					
UI initial claims	222	212	4.7	292	-24.0
New dwelling units ^a	256	146	75.3	138	85.5

NOTE: Categories may not sum to total because of rounding.

^a Seasonally adjusted annual rates.

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw-Hill Information Systems Company; and employment data from the Michigan Department of Energy, Labor and Economic Growth.

Niles–Benton Harbor MSA
Industry Employment Change by Place of Work, Second Quarter to Second Quarter
(not seasonally adjusted)

Industry	2010 Q2	2009 Q2	Percent change	Industry	2010 Q2	2009 Q2	Percent change
Goods-producing				Health care and social assistance	7,310	7,520	-2.8
Primary metal manufacturing	890	850	4.7	Ambulatory health care services	2,270	2,350	-3.4
Fabricated metal products mfg.	1,470	1,330	10.5	Arts, entertainment, and recreation	830	770	7.8
Machinery manufacturing	1,440	1,870	-23.0	Accommodation and food services	5,440	5,550	-2.0
Transportation equipment mfg.	940	810	16.0	Food services and drinking places	4,870	4,940	-1.4
Private service-providing				Government			
Professional and technical services	1,390	1,380	0.7	Federal government	500	420	19.0
Administrative and support services	3,830	3,250	17.8	State government	390	420	-7.1
Educational services	1,230	1,190	3.4	Local government	7,910	8,180	-3.3

SOURCE: Michigan Department of Energy, Labor, and Economic Growth, QCEW - ES202 data.

PURCHASING MANAGERS INDEX

West Michigan purchasing managers have consistently reported modest business growth over the past few months. According to the February issue of *Current Business Trends*, a publication that surveys local members of the Institute for Supply Management, “moderate growth continues” in both the Grand Rapids area and the Kalamazoo area.

Optimism is widespread in the Grand Rapids area, and local purchasing managers are reporting strong sales, production, purchasing, and even employment. As a result, the composite purchasing managers index has hovered high above 50—the minimum level that indicates expansionary conditions—for more than a year. Underlying this good news, however, there are signs of possible problems ahead: 59 percent of local purchasing managers report that major commodity prices are

up and none report falling prices, which suggests growing pressure on profit margins and the prices of finished goods.

The trends reported by purchasing managers in the Kalamazoo area have also been encouraging. The composite purchasing managers index has been above 50 for the past 11 months and reflects a pattern of solid growth. New orders continue to be the driving force behind the recovery, particularly in the automotive, aerospace, and paper industries. Employment appears to finally be gaining some momentum too: approximately one-quarter of local purchasing managers reported hiring during the past three months, while the percentage of purchasing managers that reported workforce reductions was only in the single digits.

**Grand Rapids Area
Purchasing Managers Index**



**Kalamazoo Area
Purchasing Managers Index**



MAJOR ECONOMIC DEVELOPMENTS

Battle Creek MSA

The City of Battle Creek approved a brownfield redevelopment plan that will provide tax credits for a proposed \$3.7 million battery-pack assembly facility. Next Alternatives, an Arizona-based company, hopes to hire 117 workers if the project goes forward.

Oaklawn Hospital in Marshall is expanding its facility with the construction of a new surgical wing and plans to enlarge its workforce by 23 workers.

Grand Rapids–Wyoming MSA

J.C. Penney announced that its call center in Kentwood will close in March, a move that will affect 370 workers.

In January, Steelcase announced that it plans to consolidate its production of seating and move it to a facility in Mexico. The move will affect 400 workers at the company’s Kentwood factory.

AT&T announced that it will be closing a service center in Wyoming. The closure is part of a larger reduction that will eliminate 110 jobs in west Michigan.

Challenge Manufacturing is expanding in Walker and plans to add 100 workers by 2012.

Holland–Grand Haven MSA

Zeeland Lumber is investing in a new truss manufacturing operation in Wyoming. The company will transfer 25 workers to the new location and hopes to hire 40 additional employees over the next three years.

In nearby Allegan County, the Gun Lake Casino opened in February, employing 700 workers.

Kalamazoo–Portage MSA

Bell’s Brewery is building a new, \$17 million brewhouse in Comstock Township. The project is expected to triple the company’s brewing capacity and create 50 jobs.

In November the Pokagon tribe, which operates the Four Winds Casino in New Buffalo, began construction of a new satellite casino operation near Hartford in Van Buren County. The new gaming facility is expected to employ between 250 and 300 workers.

Muskegon–Norton Shores MSA

Nothing to report at this time.

Niles–Benton Harbor MSA

Nothing to report at this time.

Subscriptions to
BUSINESS OUTLOOK

Call (269) 343-5541
Fax (269) 342-0672

or write

Business Outlook for West Michigan
W.E. Upjohn Institute
300 S. Westnedge Avenue
Kalamazoo, MI 49007-4686

Visit our Web site
www.upjohn.org

Business Outlook is available on our Web site in PDF format. In addition, our Web site provides up-to-date economic statistics on west Michigan.